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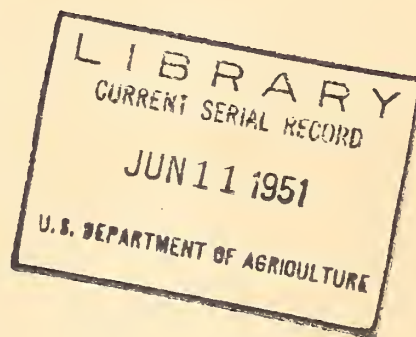
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FOREIGN AGRICULTURE REPORT

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✓ THE MARKET FOR DRIED FRUIT
IN
SIX EUROPEAN COUNTRIES ✓



by

H. R. WELLMAN

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F O R E W O R D

This report presents the results of a study of the dried fruit marketing situation in six Western European countries, made in 1950 in the interests of the United States fruit industry. The study resulted from concern over the loss by the United States of a major share of its important prewar dried fruit market in Western Europe, because of dollar shortages and exchange and other difficulties. Purpose of the survey was to determine long-time market prospects for United States dried fruit in Europe and present and potential competition from other suppliers.

The first-hand study was conducted by H. R. Wellman, Director of the Giannini Foundation of Agricultural Economics, University of California, under a cooperative arrangement with the Office of Foreign Agricultural Relations. His survey covered Belgium, France, the Netherlands, Sweden, the United Kingdom, and Western Germany.

This study was conducted under the provisions of the Research and Marketing Act of 1946. The possibilities of broadening and maintaining foreign markets for other agricultural commodities also are being studied by this Office, and the findings are presented in other circulars and reports that may be obtained, free, from the Office of Foreign Agricultural Relations, United States Department of Agriculture, Washington 25, D. C.

Joseph A. Becker, Chief
International Commodities Branch

A C K N O W L E D G M E N T

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THE MARKET FOR DRIED FRUIT IN SIX EUROPEAN COUNTRIES

by
H. R. Wellman

SUMMARY AND CONCLUSIONS

During the summer and fall of 1950 a survey was made of the markets for United States dried fruits in six Western European countries--Belgium, France, Netherlands, Sweden, United Kingdom, and Western Germany. It was found that consumers' demand for dried fruits in the six countries combined is as large as or possibly somewhat larger than before World War II and that Western European countries generally prefer United States dried deciduous tree fruits. They do not show any preference for United States raisins, however, and most European governments consider dried fruits to be a luxury.

The sustained consumers' demand for dried fruits in the six countries combined is illustrated by a number of observations. Thus, Belgian imports of dried fruit, in the absence of special restrictions, averaged 30 percent higher in 1946-49 than in 1934-38. Also Swedish imports of dried fruit in 1946 and 1947, before tight controls were imposed, averaged nearly 40 percent higher than in 1934-38. It was noted further that in both the United Kingdom and France average annual consumption of dried fruit was higher in the postwar period than in the prewar period, despite a forced shift in the composition of the total supplies occasioned by government restrictions on imports from the United States.

A part of the increase in European consumers' demand for dried fruit following the close of World War II was the result of temporary factors. Food supplies generally were acutely short, and virtually all foods found eager buyers. Moreover, consumers, particularly on the continent, had gone without their accustomed amounts of dried fruit for several years.

On the other hand, some of the increase in consumers' demand for dried fruit in Western Europe appears to stem from population growth and a rise in average per capita real income, especially among the lower income groups. Between 1938 and 1949 population increases were: France, 1 percent; Belgium, 3 percent; United Kingdom, 6 percent; Sweden, 11 percent; Netherlands, 14 percent; and Western Germany, 20 percent. Average per capita real income was substantially higher in both the United Kingdom and Sweden in 1950 than before the war; in Belgium, France, and the Netherlands it was as high or slightly higher; but in Western Germany it was still below the prewar level. For the six countries combined, real income per capita averaged somewhat higher in 1950 than in 1938, and virtually all of the gain accrued to the lower income classes.

The favorable effects of population growth and improved real income of the lower income classes upon the demand for dried fruit were partly offset by increased domestic production of fresh deciduous fruit and by some shift in consumers' demand from dried fruit to fresh citrus fruit.

The strong preference in Western Europe for United States dried deciduous tree fruits, but not for United States raisins, was observed in the summer and fall of 1950. Dried apricots from the United States regularly outsell by a wide margin those from Spain and Iran, the other chief sources of dried apricot supplies. European importers turn to Spanish and Iranian dried apricots only when they are prohibited by government edict from buying the United States product or when the price of the United States product is too high. Consumer and trade preference for United States dried apricots over those produced elsewhere results from their brighter appearance, large size, sweeter taste, and uniformity of packs.

United States dried prunes, like United States dried apricots, command a large premium in most countries of Western Europe. The principal exceptions in the case of dried prunes are France and Western Germany.

There is virtually no competition in Belgium, Netherlands, Sweden, and the United Kingdom between United States dried prunes and those produced elsewhere. Almost all of the imports of dried prunes into these countries before the war were from the United States. Since the war, these countries have turned to dried prunes from other sources only to a very limited extent, even when imports from the United States were sharply curtailed or entirely cut off. The greater appeal of United States dried prunes over Balkan dried prunes among the consumers of the four countries arises mainly from their sweeter taste, larger size, tenderness, and uniformity of packs.

In France, domestically produced dried prunes will offer substantial competition to United States dried prunes if and when that market is reopened to our product. French prune production has almost doubled since 1934-38, and is now equal to about 40 percent of that country's prewar consumption. Largely because of inferior processing, French dried prunes are not as palatable as United States dried prunes for eating out of hand or for use in pastry, and they require more cooking in making compote. Nevertheless, they would likely replace an equal quantity of United States dried prunes, if they were priced moderately below the United States product.

As contrasted with the situation existing in most other Western European countries, German consumers prefer Balkan dried prunes to United States dried prunes. They like the flavor of the dried prunes produced in Yugoslavia and Bulgaria, and they do not greatly discount small sizes. The advantages of the United States prunes in their greater

uniformity of quality and pack and longer storage life are barely, if at all, sufficient to offset the taste preference for the Balkan prunes. German importers claim that size for size United States prunes must be priced as low as, or slightly lower than, Balkan prunes in order to find any considerable market in Western Germany, provided deliveries of Balkan prunes come up to their prewar standard.

United States raisins, unlike United States dried apricots and dried prunes, meet keen competition in all of the Western European markets. No substantial preference for raisins produced in the United States over those produced in other countries was found in any of the six countries surveyed. These markets readily take Australian, Turkish, and Iranian raisins. Premiums and discounts are related mainly to grades and packs rather than to country of origin. Buyers shift quickly from United States raisins to other raisins whenever the price of other raisins is lower than the price of United States raisins, and as quickly shift back again whenever the price of United States raisins is lower than the price of other raisins.

In the European markets currants are important competitors of raisins, especially in the bakery trade. Commercial bakeries substitute currants for raisins when the price of currants is relatively lower than the price of raisins. Western European imports of currants come mainly from Greece.

The statements of government officials and dried fruit importers and the actions of the European governments indicate that dried fruits are considered a luxury by most European governments. Among the six countries surveyed, Belgium alone has during the postwar period permitted relatively unrestricted importation of dried fruit from this country. The governments of the other countries have during most of the postwar period exercised tight controls over the kinds and amounts of dried fruit imported from the United States. Neither France nor the Netherlands has thus far granted any dollars for the purchase of dried fruit, and in 1948 both Sweden and the United Kingdom closed their markets entirely to United States dried fruit.

While some of the countries, particularly Sweden and the United Kingdom, stepped up their imports of dried fruit from the United States after the institution of ECA, they did not permit the entry of a sufficient quantity to fill the demand of consumers. They could have used more of the dollars available to them for the purchase of dried fruits, but they chose instead to import other goods. Dried fruit stood low on the list of desired imports.

Shipments of United States prunes and raisins to Western Europe in 1949-50 were stimulated not only by the huge financial grants authorized under ECA, but also by the direct payment of export subsidies on these items. These subsidized exports enabled European countries to obtain relatively large amounts of prunes and raisins for comparatively few dollars.

On the basis of these general findings, one is forced to the conclusion that the prospects for large commercial exports of dried fruit from the United States to Western Europe are not bright so long as dollars remain scarce. This rather dim outlook for recovery of our prewar level of exports on a commercial basis rests not on any reduction in over-all market demand for dried fruit in Western Europe or on any shift in trade and consumer preference away from our dried fruits. Rather, it rests upon the low priority placed on dried fruit by the European governments. No evidence was found that the European governments would soon change their classification of dried fruit from the "luxury" list to the "essential" list. Hence, our exports of dried fruit to Western Europe will likely continue to be limited until such time as those countries are able to acquire sufficient dollars to enable them to adopt a policy permitting unrestricted imports of virtually all goods and services of United States origin.

THE MARKET FOR DRIED FRUIT IN BELGIUM

Belgium is one of the few countries in Europe that has regularly imported substantial quantities of dried fruit from the United States since the end of the war. During the four years, 1946 through 1949, Belgian imports of United States dried fruit averaged 7,857 short tons annually, as against the prewar (1934-38) average of 6,004 tons (Table 1). ^{1/} In both periods Belgium secured 42 percent of its total dried fruit supply from this country.

Unlike most other European countries, Belgium has not imposed special restrictions on the importation of dried fruit from the United States. While the Belgian Government levies rather high taxes on the imports of dried fruits, these apply equally to all dried fruit imports, irrespective of the source.

At the present time the import duty on raisins is 15 percent ad valorem, and on other dried fruits 12 percent ad valorem. In addition, importers pay an import tax of 12 percent, computed on the c.i.f. value plus the import duty.

The combination of import duty and import tax, amounting to 28.8 percent of the c.i.f. value in the case of raisins and to 25.4 percent of the c.i.f. value in the case of other dried fruits, results in rather high-priced dried fruits to Belgian consumers.

Total dried fruit imports into Belgium during the four years, 1946 through 1949, averaged 18,652 tons annually, as against 14,386 tons during the five prewar years (1934-38), an increase of 30 percent (Table 1). Between the two periods imports of dried deciduous tree fruits and raisins increased 19 percent, while imports of dates and figs combined increased 58 percent.

^{1/} United States export statistics indicate that there was a small decrease in our shipments of dried fruit to Belgium between the prewar and the post-war periods (Table 5), whereas the Belgian import statistics show a substantial increase (Tables 1 and 4). The differences in the two sets of figures can hardly be accounted for by the differences in time periods, namely, fiscal years for United States exports and calendar year for Belgian imports. A more plausible explanation is that in the prewar period some of the fruit shown in the United States export statistics as being shipped to Belgium did not actually enter that country, but instead was reshipped to other countries.

Dates and figs. The heavy imports of figs and dates in the postwar period were largely concentrated in the first two years of the period, namely 1946 and 1947 (Table 2). During 1948 and 1949 imports of these products averaged only 2,649 tons annually, 72 percent below the average for 1946 and 1947 and 38 percent below the prewar average. Belgian dried fruit importers are of the opinion that the high demand for dates and figs in 1946 and 1947 was temporary, and that the future level of demand for these fruits will be as low as or lower than in 1948 and 1949.

Dried apples and dried pears. Imports of these fruits into Belgium have been substantially smaller since the war than before (Tables 1 and 2). 2/ In only one year, 1947, were they above the prewar average; in the other years they were far below it. Belgian importers see little prospect for substantial recovery in consumer demand for these two items.

Dried apricots. As contrasted with the situation in dried apples and pears, consumer demand for dried apricots held up well through 1949. Average annual imports of dried apricots and peaches, mostly dried apricots, were 15 percent larger in the 1946-49 period than the 1934-38 average, (Table 1). 3/ Moreover, the average of the two years, 1948 and 1949, was above the average of the previous two years (Table 2).

All of the increase in Belgian average imports of dried apricots between 1934-38 and 1946-49 was from countries other than the United States, principally from Spain. In the prewar period Belgium obtained 88 percent of its dried apricot supply from the United States, as compared with 76 percent in the postwar period. The relatively large imports of dried apricots from countries other than the United States during the postwar years occurred almost entirely in 1946 and 1947. In 1948 and 1949 practically all of the dried apricot imports were from the United States.

Belgian consumers much prefer United States dried apricots to those produced elsewhere, and will normally pay a substantial premium for them. But some turn to Spanish and Iranian dried apricots when the price-differential on the United States product becomes too wide, while others do without dried apricots entirely.

2/ Belgian imports of dried apples and dried pears have not been reported separately during recent years. During the prewar (1934-38) period, 71 percent of the combined imports of these two dried fruits consisted of dried apples.

3/ Belgian imports of dried apricots and dried peaches have not been reported separately during recent years. During the prewar (1934-38) period 98 percent of the combined imports of these two dried fruits consisted of dried apricots.

As of October 1950 Belgian importers were not planning to buy any substantial quantity of 1950-crop California dried apricots, on the ground that the price then prevailing was too high for most Belgian consumers. They indicated that they would likely bring in a small tonnage of Spanish dried apricots, since they could buy them for about one-half the c.i.f. price then being quoted on the California product.

Dried prunes. Imports of dried prunes into Belgium, like the imports of dried apricots, were substantially larger in the postwar period, than in the prewar period (Table 1). But unlike the imports of dried apricots, the imports of prunes were considerably smaller in the second half of the postwar (1946-49) period than in the first half (Table 2). The very large imports of 7,754 tons in 1947 probably reflected the pent-up demand following the war, and can hardly be considered as normal. Also, the fairly large imports of 4,455 tons in 1949 reflected, during the latter part of that year, the low price of prunes associated with the United States export subsidy payments.

Taking into account the abnormal conditions in 1947 and 1949, it seems likely that the present level of demand for dried prunes in Belgium is not much, if any, above the prewar level. Belgian dried fruit importers thought that fresh fruit, especially fresh oranges, was cutting into the consumption of dried fruits, other than raisins and currants.

United States dried prunes experience virtually no competition from other dried prunes in the Belgian market. Most Belgian consumers want large, top-quality prunes. If they cannot get them, they go without prunes altogether. In both the prewar and postwar periods practically all of the Belgian imports of dried prunes were from the United States.

Belgian importers expressed some concern regarding the possible adverse effect upon consumer demand of widely fluctuating prices of United States dried prunes and raisins associated with the alternate introduction and removal of export subsidies. While they are willing, and indeed anxious, to take advantage of the low price in a year when export subsidies are paid, they thought that the great rise in price following the termination of the subsidy payments would cause consumers to shift to other products, and that after having shifted away from a particular dried fruit they would be less inclined to resume their purchases of it when prices again dropped.

Raisins. United States raisins do not occupy the same favorable position in the Belgian market as do our dried apricots and prunes. Dried apricots and prunes meet little or no competition in Belgium from those produced in other countries, but that happy situation does not exist in the case of raisins. The Belgian market readily takes raisins from countries other than the United States. Although Turkish, Greek, and Iranian raisins are less uniform than California raisins, they are, nevertheless, generally acceptable to the trade and to consumers. In fact, some Belgian buyers consider that the better grades of Turkish raisins are superior to the California raisins.

In general, the Belgian market shifts quickly from California raisins to Turkish raisins whenever the price is lower than that of California raisins, and as quickly shifts back again whenever the California price is lower than the Turkish price.

Before the war Belgium secured only 27 percent of its raisin and currant supply from the United States; most of the remainder came from Turkey (Table 4). During the 1946-49 period, and especially in 1948 and 1949, imports from the United States were stepped up in relation to imports from other countries. The comparatively large imports from this country in 1949-50 stemmed mainly from the low price of our raisins under the export subsidy program. In the absence of export-subsidy payments, it seems likely that the relative position of California raisins in the Belgian market will revert to the prewar pattern.

The present total demand for raisins and currants in Belgium appears to be substantially above the prewar level. The postwar average annual imports amounted to 6,977 short tons as compared with the prewar average of 5,809 tons, an increase of 20 percent (Table 1). While raisin imports from the United States in the latter part of 1949 were stimulated by the export subsidy, these enhanced imports account for only a part of the increase in total Belgian imports of raisins between the prewar and the postwar periods.

This apparent increase in total raisin and currant demand in Belgium was not primarily the result of larger population, since between 1938 and 1949 the population of that country rose only 3.2 percent.

Data are not available on the changes in per capita real income in Belgium between the prewar and postwar periods. The consensus among dried fruit importers is that there was some gain in real income, especially by the lower income group. Employment in industry during 1947-49 averaged 16 percent higher than in 1938. 4/

Although Belgium has permitted relatively unrestricted importation of consumption goods, including dried fruit, from the United States, it has made steady progress in reducing its trade deficit with this country (Table 6). During 1947 its excess of imports over exports with the United States averaged 37.9 million dollars a month; by the first half of 1950 the excess had fallen to an average of 15 million dollars a month.

Belgium has also made good progress in reducing its total trade deficit. In 1949 its total exports almost equalled its total imports. During the first half of 1950, exports were considerably less, but its total trade deficit was much narrower from January to June 1950 than in either 1947 or 1948.

4/ Economic Commission for Europe, United Nations, Economic Survey of Europe in 1949, Geneva, 1950, Page 5.

Table 1.-Belgium: Imports of Dried Fruit; Total and from the United States; Averages 1934-38 and 1946-49

Dried fruit	Average 1934-38			Average 1946-49		
	Total	From United States	Percent- age from United States	Total	From United States	Percent- age from United States
	Short tons	Short tons	Percent	Short tons	Short tons	Percent
Apples and pears...	365	299	82	137	121	89
Apricots and peaches.....	984	869	88	1,133	863	76
Prunes.....	3,348	3,264	97	4,266	4,116	96
Raisins and currants.....	5,809	1,572	27	6,977	2,726	39
Subtotal.....	10,506	6,004	57	12,513	7,826	63
Dates.....	1,887	0	0	3,084	0	0
Figs.....	1,993	0	0	3,055	31	1
Subtotal.....	3,880	0	0	6,139	31	1/
Total.....	14,386	6,004	42	18,652	7,857	42

1/ 0.5 percent.

Source: Data compiled from official Belgian sources by the Office of the Agricultural Attache, American Embassy, Brussels, Belgium.

Table 2.-Belgium: Total Imports of Dried Fruit,
Average 1934-38, Annual 1946 to 1949

Dried fruit	Average: 1934-38:	1946	1947	1948	1949	Jan.-Aug. 1950
	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons
Apples and pears..	365	59	402	21	63	37
Apricots and peaches.....	984	730	1,369	1,080	1,355	175
Prunes.....	3,348	1,961	7,754	2,895	4,455	1,475
Raisins and currants.....	5,809	8,004	1,164	9,623	9,118	4,663
Subtotal.....	10,506	10,754	10,689	13,619	14,991	6,350
Dates.....	1,887	3,460	7,145	830	902	838
Figs.....	1,993	2,347	6,305	2,072	1,492	259
Subtotal.....	3,880	5,807	13,450	2,902	2,394	1,097
Total.....	14,386	16,561	24,139	16,521	17,385	7,447

Source: Data compiled from official Belgian sources by the Office of the Agricultural Attache, American Embassy, Brussels, Belgium.

Table 3.-Belgium: Imports of Raisins and Currants, by Country of Origin

Country of origin	Average: 1934-38	1946	1947 1/	1948	1949	Jan.-Aug. 1950
	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons
United States.....	1,572	1,477	-	3,613	5,372	2,535
Turkey.....	2,945	5,939	-	2/	2,078	1,876
Greece.....	2/	2/	-	3,079	1,369	105
Iran.....	734	2/	-	2/	2/	2/
Others.....	558	588	-	2,931	299	147
Total.....	5,809	8,004	1,164	9,623	9,118	4,663

1/ Data not available by countries of origin.

2/ Included in others.

Source: Data compiled from official Belgian sources by the Office of the Agricultural Attache, American Embassy, Brussels, Belgium.

Table 4.-Belgium: Imports of Dried Fruit from the United States

Dried fruit	Average: 1934-38	1946	1947	1948	1949	Jan.-Aug. 1950
	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons
Apples and pears..	299	36	385	0	62	38
Apricots and peaches.....	869	102	1,005	1,014	1,333	173
Prunes.....	3,264	1,811	7,459	2,859	4,336	1,468
Raisins.....	1,572	1,477	1/ 441	3,613	5,372	2,535
Dates.....	0	0	0	0	0	0
Figs.....	0	0	0	0	122	0
Total.....	6,004	3,426	9,290	7,486	11,225	4,214

1/ Estimated.

Source: Data compiled from official Belgian sources by the Office of the Agricultural Attache, American Embassy, Brussels, Belgium.

Table 5.-United States: Exports of Dried Fruit to Belgium

Dried fruit	Year beginning July 1					
	Average	Average				
	1934-38	1946-49	1946-47	1947-48	1948-49	1949-50
	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons
Apples.....	379	76	208	28	13	56
Apricots.....	1,195	926	896	844	1,082	884
Peaches.....	56	39	56	67	30	1
Pears.....	162	21	33	11	37	1
Prunes.....	5,520	4,378	6,640	3,665	3,975	3,231
Mixed and other....	137	19	47	18	8	5
Raisins.....	2,560	3,949	710	6,406	3,498	5,183
Total.....	10,009	9,408	8,590	11,039	8,643	9,361

Source: Compiled from official records of the Bureau of the Census.

Table 6.-Belgium: Foreign Trade, Total and with the United States

Monthly average	Total <u>1/</u>			United States <u>1/</u>		
	Exports	Imports	Deficit	Exports	Imports	Deficit
	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars
1947.....	116.9	162.2	45.3	5.1	43.0	37.9
1948.....	140.3	165.4	25.1	8.4	29.6	21.2
1949..	145.7	148.7	3.0	7.7	26.9	19.2
1950 Jan.-June....	129.6	146.4	16.8	10.0	25.0	15.0

1/ The figures do not include invisibles.

Source: Economic Cooperation Administration, Recovery Guides--Participating Countries, August 1950, p. 125.

THE MARKET FOR DRIED FRUIT IN FRANCE

Before the war France was a large and expanding market for United States dried fruit. During the 1920's and 1930's United States exports of dried fruit to that country increased rather steadily. For the five marketing years 1934-35 to 1938-39, they averaged 34,000 short tons a year, over a third larger than in the preceding five-year period (Table 7). Between these two five-year periods United States exports of dried apples, pears, and raisins to France more than doubled, and exports of dried apricots and dried peaches increased over 50 percent. Exports of prunes, on the other hand, rose only moderately.

Since the war United States exports of dried fruit to France have been negligible. In only one of the past four years have they amounted to as much as 1 percent of the prewar average (Table 7).

France has been a large recipient of ECA funds, but the Government has not granted thus far any dollars for the purchase of United States dried fruit. 5/ It has also discouraged barter deals involving dried fruit from this country. As the French Government does not publish a list of approved barter deals, it is difficult to secure precise information on this subject. It is rumored, however, that one covering the exchange of French cocoa beans for California prunes has recently been approved.

Other than by barter the only means open to French importers for obtaining United States dried fruit is through the purchase of so-called E.F.Ac. 6/ dollars. Under present arrangements French exporters are ordinarily permitted to retain 15 percent of the dollars they receive for goods sold in the United States. They are supposed to use four-fifths of these dollars for paying necessary expenses in the United States, for buying materials directly connected with their particular businesses, or for importing other nonconsumer goods officially approved by the French Government. The remaining one-fifth (three percent of the total dollars received) may be used to pay for any goods they may desire to import from the United States. In practice, these "free dollars" are in effect sold by French exporters to French importers at a very substantial premium above the official rate of exchange. It may be that this source of dollars was used by French importers to buy the small quantity of United States dried fruits imported into France in 1949-50.

5/ Through August 31, 1950, "procurement authorizations" granted to France under ECA amounted to over 2 billion dollars, the largest to any country except the United Kingdom. Economic Cooperation Administration, Twenty-Seventh Report for the Public Advisory Board, September 27, 1950, p. 36.

6/ "Exportacion fais accessoires," translated literally as "additional export costs."

Because of the small aggregate exports from France to the United States, the quantity of "free" E.F.Ac. dollars normally available for any one item is exceedingly small. In the fiscal year 1949-50 France's total exports to the United States amounted to only 64 million dollars, which, at the rate of 3 percent, produced less than 2 million dollars of "free" E.F.Ac. dollars. In view of the numerous demands for these dollars, their use for buying dried fruit will likely continue to be strictly limited.

Despite the virtual stoppage of imports from the United States, French consumption of dried fruit on the average was substantially higher in the four years 1946-49 than in the five years 1934-38. During the postwar period total net imports (imports minus exports) of dried fruit averaged 61,657 tons annually, as against an annual average of 51,997 tons during the prewar period. 7/ In addition, domestic production of dried prunes in France rose from an annual average of 4,941 tons in 1934-38 to an annual average of 9,119 tons in 1946-49.

The composition of France's dried fruit supply, however, was much different in 1946-49 than in 1934-38 (Table 8). Before the war two-thirds of the total supply consisted of dried apricots, peaches, prunes, raisins, and currants and one-third consisted of dates and figs. Since the war the relative positions of these two groups have been more than reversed; only one-fourth of the supply has consisted of dried deciduous tree fruits and grapes, while three-fourths has consisted of dates and figs.

The abnormally high postwar demand for dates and figs in France has receded materially since 1948. Net imports of these two fruits were only 44 percent as high in 1949 as the average of the preceding three years (Table 9). The general scarcity of food in France during and immediately following the war accounts in large measure for the heavy consumption of dates and figs during 1946-48.

Before the war France obtained practically all of its imports of dried deciduous tree fruits from the United States (Table 10). Since the war it has turned to other countries, and in the case of prunes to increased indigenous production, to help offset the decrease in imports from the United States. Thus far, however, the country has not been able to replace from other sources the supplies of dried deciduous tree fruits which it formerly obtained from this country.

Dried apricots and peaches. Since the war France has been able to obtain an average of around 1,653 tons of dried apricots and dried peaches

7/ These figures do not include dried apples and pears since the official French statistics show larger exports than imports of these items.

a year, principally from Iran, Morocco, and Spain (Table 11). 8/ But this amount falls far short of the prewar average annual imports of over 6,614 tons from the United States. 9/

In France dried apricots are purchased chiefly by the bakery trade. The French are fond of pastry and, if they can obtain them, will normally consume substantial quantities of dried apricots in fruit pastry, especially in tarts. For this purpose United States dried apricots are preferred to those produced elsewhere, because of their sweeter taste and brighter appearance.

French dried fruit importers are of the opinion that the demand in France for United States dried apricots is fully as large as before the war. Thus far, however, they have not been successful in persuading the French Government that they should be permitted to import enough dried apricots to satisfy this demand.

Prunes. Domestic production of dried prunes was increased during the postwar period, 1946-49, and an average of about 581 tons a year was obtained mainly from Yugoslavia. 10/ But these two sources of additional supplies fell far short of compensating for the drop in imports from the United States (Table 12).

Data are not available on the acreage of "plums for prunes" in France. Persons familiar with the industry are inclined toward the view that the large increase in production between 1934-38 and 1946-49 stemmed more from higher yields per acre than from an expanded acreage. They say that prune production has been quite profitable during recent years, and that growers have therefore taken better care of their trees.

8/ On October 13, 1950, the French Government announced a trade agreement with Turkey which calls for the purchase by France of 827 tons of 1950-crop Turkish dried apricots. On November 1, 1950, a trade agreement between France and Spain was announced, which calls for French importation of 1950-crop Spanish dried apricots. However, the contemplated tonnage is not specified.

9/ Although precise data are not available, the evidence at hand suggests that about 85 percent of France's prewar imports of dried apricots and peaches combined consisted of dried apricots.

10/ On October 13, 1950, the French Government announced trade agreements involving the importation of 331 short tons of 1950-crop dried prunes from Turkey, and 1,653 tons of 1950-crop dried prunes from Australia and the Union of South Africa.

As a result of the increase in prune production in France, the present demand for United States prunes in that country is considerably below the prewar level. Nevertheless, a demand of substantial magnitude remains. An amount equal to around three-fourths of United States prewar exports to France could probably find a market there, if the French Government would permit relatively unrestricted importation of them.

French importers claim that the domestically-produced dried prunes do not come up to the high quality of the United States product, mainly because too much moisture is extracted in drying and too little moisture is added before packing. Hence they are not as palatable for eating out of hand or for use in pastry, and they require more cooking in making compote.

Raisins and currants. The demand for raisins and currants in France has never been large. Per capita consumption before the war averaged less than $\frac{1}{2}$ pound a year. During the same period per capita consumption of raisins and currants in the United Kingdom averaged over 5 pounds a year.

Although United States exports of raisins to France more than doubled between 1929-33 and 1934-38, they still amounted to just under one-half of France's total imports of raisins and currants in the latter five-year period (Table 10). In those years France drew rather heavily for its raisin and currant supplies upon Greece, Turkey, and Spain (Table 13).

Since the war France has been much more successful in replacing the United States as a source of raisin imports than as a source of dried apricot and prune imports. During the four years, 1946-1949, it imported an average of 5,599 tons of raisins and currants a year, 26 percent below the prewar average of 7,583 tons. Virtually all of its postwar imports have come from countries other than the United States (Table 13). In addition to France's principal prewar sources--Greece, Turkey, and Spain--it has also imported supplies from Algeria, Morocco, Iran, and Syria Lebanon. 11/

The real income of the French population was slightly higher in 1949 than in 1938; total population and average per capita real income were each up one percent. 12/ However, from mid-1949 to mid-1950 the cost of

11/ Algeria is a French territory and Morocco a French protectorate. Raisins from both areas enter Continental France free of duty. The regular import duty on raisins and currants is 15 percent ad valorem. On dried prunes it is 25 percent ad valorem, and on dried apples, apricots, peaches, and pears, 10 percent ad valorem.

12/ Economic Commission for Europe, United Nations, Economic Survey of Europe in 1949, Geneva, 1950, pp. 20 and 272.

living in Paris advanced somewhat more than the weekly earnings of workers. 13/ If this development was widespread, per capita real income in France was no higher this past summer than before the war, and may have been slightly lower.

But even if the total real income in France during the coming years should average no higher than before the war, there would still be a substantial demand among French consumers for United States dried fruit. Competition from domestic production of dried prunes would presumably cut into the United States prewar market in France for that fruit, but would certainly not eliminate it. At the moment there seems little prospect that production of raisins in French North Africa will become large enough to interfere seriously with imports from other countries, including the United States. The preference in France for United States dried apricots appears to be sufficiently strong to prevent dried apricots from most other areas becoming a close substitute for them.

The big hurdle to renewed importation of United States dried fruit into France has been the policy of the French Government not to allocate dollars for its purchase. This policy has rested basically upon two factors: (1) the relatively unfavorable foreign trade position of France, and (2) the judgment of French governmental officials, which gave a low priority to the importance of dried fruit in the diet of French consumers.

France's foreign trade position has improved greatly during the past two years, mainly from an increase in its exports (Table 15). France's total trade deficit, excluding invisibles, fell from a monthly average of 112.4 million dollars in 1948 to a monthly average of 32.3 million dollars in the first half of 1950. Despite this improvement in its over-all trade position, France was still running a heavy deficit with the United States. In the first half of 1950 its imports from the United States were over five times larger than its exports to this country. This gap, however, was partially offset by net earnings from invisibles, especially from tourism.

Since June 1950 there has been further improvement in France's foreign trade balance, both in the aggregate and with the United States.

Just what effect the shift in United States aid to Western European countries from materials for economic recovery to materials for military defense will have upon their purchases of consumption goods from us is not clear at the moment. Even if United States direct grants should be restricted to non-consumption goods, United States imports from Western

13/ Economic Cooperation Administration, Recovery Guides, Participating Countries, August 1950, p. 47.

European countries and from their overseas territories might be increased enough to result in a material improvement in their dollar positions. An example of the possibilities is the recent purchase by the United States of a large quantity of French industrial alcohol to be delivered over a 15-month period.

If France should be able through direct and triangular trade to increase materially its dollar earnings, it seems reasonable to suppose that the French Government might in time relax its present restrictions on imports of United States goods, including dried fruits, which it now considers to be luxuries.

Table 7.-United States: Exports of Dried Fruit to France
Average 1929-30 1933-34 and 1934-35 1938-39,
Annual 1946-47 to 1949-50

Dried fruit	Year beginning July 1					
	Average	Average				
	1929-30 1933-34	1934-35 1938-39	1946-47	1947-48	1948-49	1949-50
	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons
Apples.....	1,078	2,478	1	1/	0	0
Apricots.....	2,799	4,976	1	23	40	3
Peaches.....	681	1,050	1/	1	0	1/
Pears.....	506	1,208	0	43	0	0
Prunes.....	18,117	20,211	3	146	73	46
Salad.....	25	380	0	0	1	3
Raisins.....	1,651	3,735	6	531	36	199
Total.....	24,857	34,038	11	744	150	251

1/ Less than one-half ton.

Table 8.-France: Apparent Consumption of Dried Fruit,
Average 1934-38 and 1946-49 1/

Dried fruit <u>2/</u>	Average:	
	1934-38	1946-49
	<u>Short tons</u>	<u>Short tons</u>
Apricots and peaches....	7,297	1,722
Prunes.....	22,890	9,695
Raisins and currants....	7,477	5,491
Subtotal.....	37,664	16,908
Dates.....	3,931	27,023
Figs.....	15,342	26,852
Subtotal.....	19,273	53,875
Total.....	56,937	70,783

1/ Figures for all dried fruits, except prunes, are net imports (imports minus exports); figures for dried prunes are net imports plus domestic production.

2/ Dried apples and pears are excluded since the official statistics showed larger exports than imports.

Source: Data compiled from official French sources by the Office of the Agricultural Attache, American Embassy, Paris, France.

Table 9.-France: Net Imports of Dried Fruit,
Average 1934-38; Annual 1946-49 1/

Dried fruit	Average : 1934-38 :	1946 :	1947 :	1948 :	1949 :
	Short tons	Short tons	Short tons	Short tons	Short tons
Apricots and peaches:	7,297 :	2,556 :	1,227 :	1,739 :	1,366 :
Prunes.....	17,950 :	103 :	487 :	1,392 :	318 :
Raisins and currants:	7,477 :	9,710 :	4,165 :	3,466 :	4,627 :
Subtotal.....	32,724 :	12,369 :	5,879 :	6,597 :	6,311 :
Dates.....	3,931 :	28,181 :	30,132 :	39,938 :	9,812 :
Figs.....	15,342 :	10,395 :	40,956 :	40,909 :	15,149 :
Subtotal.....	19,273 :	38,576 :	71,088 :	80,847 :	24,961 :
Total.....	51,997 :	50,945 :	76,967 :	87,444 :	31,272 :

1/ Imports less exports.

Source: Compiled from official French sources by the Office of the Agricultural Attache, American Embassy, Paris, France.

Table 10.-France: Imports of Dried Fruit, Total and from the
United States, Average 1934-38 and 1946-49

Dried fruit	Average 1934-38			Average 1946-49		
	United : States :	Other : countries :	Total :	United : States :	Other : countries :	Total :
	Short : tons :	Short : tons :	Short : tons :	Short : tons :	Short : tons :	Short : tons :
Apples and pears.....	3,969 :	21 :	3,990 :	11 :	4 :	15 :
Apricots and peaches...	6,810 :	487 :	7,297 :	11 :	1,712 :	1,723 :
Prunes.....	19,046 :	59 :	19,105 :	153 :	581 :	734 :
Raisins and currants...	3,705 :	3,878 :	7,583 :	176 :	5,423 :	5,599 :
Subtotal.....	33,530 :	4,445 :	37,975 :	351 :	7,720 :	8,071 :
Dates.....	0 :	12,544 :	12,544 :	0 :	35,729 :	35,729 :
Figs.....	0 :	15,472 :	15,472 :	0 :	27,235 :	27,235 :
Subtotal.....	0 :	28,016 :	28,016 :	0 :	62,964 :	62,964 :
Total.....	33,530 :	32,461 :	65,991 :	351 :	70,684 :	71,035 :

Source: Compiled from official French sources by the Office of the Agricultural Attache, American Embassy, Paris, France.

Table 11.-France: Imports of Dried Apricots and Peaches,
by Countries of Origin, Average 1934-38, Annual 1946-49

Country of origin	Average 1934-38	1946	1947	1948	1949	Jan.-Sept. 1950
	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons
United States.....	6,810	0	4	37	6	6
Iran.....	239	239	93	1,113	0	134
Morocco.....	0	209	622	125	91	0
Spain.....	31	0	0	359	1,259	1/
Other countries.....	217	2/2,108	3/ 508	109	11	1
Total.....	7,297	2,556	1,227	1,743	1,367	141

1/ If any included in "Other countries."

2/ Includes 1,870 short tons from Syria Lebanon.

3/ Includes 131 short tons from Algeria.

Source: Compiled from official French sources, by the Office of the Agricultural Attache, American Embassy, Paris, France.

Table 12.-France: Apparent Consumption of Dried Prunes,
Average 1934-38 and 1946-49

Source	Average 1934-38	Average 1946-49
	Short tons	Short tons
Domestic production.....	4,940	9,119
Net imports.....	17,950	576
Total.....	22,890	9,695

Source: Compiled from official French sources by the Office of the Agricultural Attache, American Embassy, Paris France.

Table 13.-France: Imports of Raisins and Currents, by Countries of Origin, Average 1934-38, Annual 1946-49

Country of origin	Average: 1934-38	1946	1947	1948	1949	Jan.-Sept. 1950
	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons
United States..	3,705	0	5	667	30	224
Greece.....	1,151	<u>1/</u>	<u>1/</u>	730	3,555	3,250
Turkey.....	1,035	<u>1/</u>	1,217	564	135	803
Iran.....	<u>1/</u>	<u>1/</u>	88	474	159	<u>1/</u>
Algeria.....	<u>1/</u>	752	1,002	403	241	100
Morocco.....	<u>1/</u>	1,554	1,366	654	50	208
Syria Lebanon..	<u>1/</u>	4,610	388	<u>1/</u>	54	<u>1/</u>
Spain.....	1,013	<u>1/</u>	<u>1/</u>	<u>1/</u>	379	<u>1/</u>
Other countries...	679	2,827	107	120	263	100
Total....	7,583	9,743	4,173	3,612	4,866	4,685

1/ If any, included in "Other countries."

Source: Compiled from official French sources by the Office of the Agricultural Attache, American Embassy, Paris, France.

Table 14.-France: Imports and Exports of Dried Fruit,
Average 1934-38 and 1946-49

Dried fruit	Average 1934-38	Average 1946-49
	Short tons	Short tons
<u>Apples and pears</u>		
Imports.....	3,990	15
Exports.....	4,568	17
Net exports.....	578	2
<u>Apricots and peaches</u>		
Imports.....	7,297	1,723
Exports.....	0	1
Net imports.....	7,297	1,722
<u>Prunes</u>		
Imports.....	19,105	734
Exports.....	1,155	159
Net imports.....	17,950	575
<u>Raisins and currants</u>		
Imports.....	7,583	5,599
Exports.....	106	107
Net imports.....	7,477	5,492
<u>Dates</u>		
Imports.....	12,544	35,729
Exports.....	8,613	8,706
Net imports.....	3,931	27,023
<u>Figs</u>		
Imports.....	15,472	27,235
Exports.....	130	383
<u>Total</u> Net imports.....	15,342	26,852
Imports.....	65,991	71,035
Exports.....	14,572	9,373
Net imports.....	51,419	61,662

Source: Compiled from official French sources by the Office of the Agricultural Attache, American Embassy, Paris, France.

Table 15.-France: Value of Foreign Trade, Total
and with the United States 1/

Year	Monthly Average						
	Total			With United States			
	Exports	Imports	Deficit	Exports	Imports	Deficit	
	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars
1947.....	147.2	239.7	92.5	4.0	63.3	59.3	
1948.....	166.5	278.9	112.4	5.2	45.1	39.9	
1949.....	225.8	265.6	39.8	4.6	45.3	40.7	
1950 Jan.-June	228.7	261.0	32.3	6.0	33.7	27.7	

1/ The figures do not include invisibles.

Source: Economic Cooperation Administration, Recovery Guides, Participating Countries, August, 1950, p. 127.

THE MARKET FOR DRIED FRUIT IN THE NETHERLANDS

In 1949-50, for the first time since the start of World War II, the United States shipped substantial quantities of dried fruit to the Netherlands. This past fiscal year our total exports of dried fruit to that country amounted to 12,300 short tons as against an average of less than 1,000 tons during the preceding three years (Table 16). 1/ Over one-half of the 1949-50 exports consisted of raisins, and over one-third consisted of prunes.

The large increase in our dried fruit exports to the Netherlands in 1949-50 was primarily the result of two factors: (1) the export-bonus-dollar scheme instituted by the Netherlands Government in the fall of 1949; and (2) the subsidies paid by the United States Government on the exports of 1949-crop prunes and raisins.

Under the export-bonus-dollar scheme of the Netherlands Government, exporters are permitted to retain 10 percent of the dollars received from the sale of goods in the United States, and to use these dollars to pay for any merchandise they may desire to import from the United States. In practice, the export-bonus dollars are sold by the Dutch exporters to the Dutch importers. During 1949-50 the price of the export-bonus dollars in guilders averaged about twice the official rate of exchange of 3.80 guilders per dollar.

Export-bonus dollars have been about the only dollars available to Dutch importers for the purchase of United States dried fruit. The Netherlands Government considers dried fruit to be a luxury, and thus far has refused to allocate any dollars for its purchase.

The large premium which the Dutch importers had to pay for export-bonus dollars in 1949-50 would have meant high prices for United States prunes and raisins in the Netherlands had not the United States Government subsidized the exports of these products. As it was, the United States export subsidy on prunes and raisins just about offset the premiums which Dutch importers paid for export-bonus dollars. Hence, the cost of these products in guilders to them was about the same as it would have been if they could have bought dollars at the official rate of exchange and had had to pay United States domestic prices.

1/ Official Netherlands import data show very small imports of dried fruit from the United States during the three calendar years, 1947, 1948, and 1949 (see Table 17). It may be that most of the United States dried fruit exports to the Netherlands during those three years were reexported by that country.

The termination in mid-1950 of export-subsidy payments on prunes and raisins together with the rise in the domestic prices of these products resulted in a very large increase in the dollar price to foreign buyers. And in the Netherlands this high dollar price was accompanied by a high cost of dollars, since importers had to pay around twice as many guilders for dollars to buy dried fruit as the official rate of exchange. So long as this combination of high prices in dollars and high cost of dollars continues, United States dried fruit will be very expensive to the people of the Netherlands, and their consumption of it will be small.

There is a strong preference in the Netherlands among both consumers and the trade for United States dried deciduous-tree fruits-- apples, apricots, peaches, pears, and prunes. Before the war practically all of the Netherlands imports of these dried fruits came from the United States, (Table 17). Since the end of the war Dutch importers have turned to alternative sources of supply for dried deciduous-tree fruits to only a limited extent. In each of the three years from 1947 to 1949 inclusive they purchased a small tonnage of dried prunes from Yugoslavia (Table 18), and in 1949 and 1950 they bought small quantities of dried apricots from Spain and Iran (Table 19).

Prunes. The people of the Netherlands have a strong preference for California prunes over those produced in Yugoslavia and Bulgaria. They like the sweeter taste of the California prunes, and their demand is for larger-sized prunes than those grown in the Balkans. Also, the trade much prefers to handle California prunes, since the quality and pack are uniformly good. Importers report that during the past 40 years they have had only three or four complaints about the deliveries of California prunes.

Dried apricots. As in the case of prunes, Dutch importers turn to sources other than the United States for dried apricots only when the United States product is either unavailable or too expensive. The quality and appearance of dried apricots from Spain and Iran are much less pleasing to the Netherlands consumers than are those from the United States. They can be sold in competition with the United States product only if the price is very much lower.

Raisins. As contrasted with dried deciduous-tree fruits, United States raisins meet keen competition in the Netherlands from raisins produced in other areas. Only 40 percent of the Netherlands prewar supply of raisins came from the United States. The remaining 60 percent came from other countries, mainly Turkey and Iran.

Turkish raisins are well liked in the Netherlands by both the trade and the consumers. Iranian raisins are generally of a lower quality than Turkish raisins, but find a ready market when sold at lower prices.

California raisins are considered to be equal to, but not superior to, Turkish raisins. The trade turns to California raisins when it can buy them for lower prices, in guilders, than it has to pay for Turkish raisins, and conversely turns away from California raisins when it has to pay more for them than for Turkish raisins.

In late October 1950, the price of California raisins c.i.f., Rotterdam was about \$100 a metric ton (2,204.6 pounds) or 30 percent above the price of Turkish raisins. This difference in the dollar price itself was large enough to cause Dutch importers to buy Turkish raisins instead of California raisins. The difference in the guilder price was much greater than in the dollar price; for California raisins Dutch importers would have had to pay 6.20 guilders per dollar whereas for Turkish raisins they had to pay the equivalent of only 3.80 guilders per dollar. Thus, in guilders, California raisins would have cost over twice as much as Turkish raisins.

In addition to raisins, the Netherlands normally imports substantial quantities of currants. Before the war imports of currants averaged around 9,900 tons, as against an average of approximately 12,200 tons of raisins. During the first three calendar years following the war, total imports of both currants and raisins into the Netherlands were very small. But in 1949 they were much increased. In that year the Netherlands imported about 7,700 tons of raisins, mainly from Turkey, and about 5,500 tons of currants, all from Greece.

In the Netherlands, currants are purchased chiefly by commercial bakeries for use in bread, cakes, and cookies. The demand for them is said to be somewhat separate from the demand for raisins since the latter are normally purchased mainly by housewives. Nevertheless, commercial bakeries substitute raisins for currants when the price of raisins is relatively lower than the price of currants. Thus in the bakery trade the two products compete directly with each other.

The available evidence suggests that the over-all demand for dried fruit in the Netherlands at the present time is as large or larger than in the prewar period. The population of the Netherlands has grown from 8.7 million persons in 1938 to 9.9 million persons in 1949, an increase of 11.4 percent. Wage rates, however, have not fully kept pace with the increase in the cost of living, (Table 21). In mid-1950 real wage rates were about 6 percent lower than the 1938 and 1939 average. On the other hand, social security benefits were much greater than before the war, and unemployment was much reduced. In its Economic Survey of Europe in 1949, (page 20) the United Nations Economic Commission for Europe, estimated that the real income per capita in the Netherlands had reached the same level in 1949 as existed in 1938. In 1947 and 1948 real income per capita was 17 percent and 6 percent respectively below that of 1938.

From the standpoint of the longer-run prospects for exports of United States dried fruits to the Netherlands the crucial issues relate to (1) the attitude of the Netherlands Government toward the importance of dried fruits in the diet of the people and (2) the amount of dollars which that country is able to obtain.

There is little evidence at the moment that the Netherlands Government will change its classification of dried fruits from the "luxury" list to the "necessary" list. Until such a change is made, the importation of United States dried fruit into the Netherlands will be limited so long as dollars remain scarce.

Despite remarkable economic recovery since the war, the Netherlands is still running heavy deficits in its foreign trade. During the first half of 1950 its total trade deficit (excess of imports over exports) averaged 62.7 million dollars a month (Table 22). This amount was 17.6 million dollars higher than the average monthly trade deficit during 1949, but was 7.8 million dollars below that of 1948, and 12.3 million dollars below that of 1947.

The Netherlands trade deficit with the United States has declined steadily during recent years, falling from a monthly average of 35.8 million dollars during 1947 to a monthly average of 19.7 million dollars during the first half of 1950. Despite this substantial improvement, the trade deficit of the Netherlands with the United States remains very large. During the first half of 1950 the Netherlands imports from the United States were 8 times larger than its exports to the United States.

There seems little prospect that the direct trade between the United States and the Netherlands can be balanced except by a drastic cut in the Netherlands imports from the United States. Most of the improvement in the trade balance between the two countries during recent years has come from a reduction in the Netherlands imports from the United States rather than from an increase in its exports to the United States. Normally this downward trend in imports would be expected to continue, since a large part of the heavy imports from the United States consisted of material and equipment used to repair war damage and to restore that country's economy. But even after these non-recurring imports have ceased, it may be questioned whether the Netherlands will be able to develop sufficient markets in the United States for its goods and services to pay for the goods and services it will normally want to import from the United States. The people of the Netherlands, themselves, are pessimistic on this point. They point out that the loss of the Netherlands East Indies (now Indonesia) has taken from them an important source of dollar earnings. Moreover, they doubt that they will be able to earn sufficient dollars through triangular trade during the next few years to permit unrestricted imports from the United States.

Table 16.-United States: Exports of Dried Fruit to the Netherlands

Commodity	Average 1934-38	Year beginning July 1			
		1946-47	1947-48	1948-49	1949-50
	Short tons	Short tons	Short tons	Short tons	Short tons
Apples.....	4,085	54	118	22	450
Apricots.....	1,346	73	122	166	307
Peaches.....	119	3	4	30	302
Pears.....	506	45	12	0	288
Prunes.....	5,828	690	152	556	4,403
Mixed and other..	145	0	4	6	66
Raisins....	4,627	384	144	242	6,493
Total.....	16,656	1,249	556	1,022	12,309

Source: Compiled from official records of the Bureau of the Census.

Table 17.-Netherlands: Imports of Dried Fruits,
Total and from the United States

Country of origin	Average 1936-38	1947	1948	1949	Jan.-Aug. 1950
	Short tons	Short tons	Short tons	Short tons	Short tons
<u>Deciduous</u>					
From United States..	9,237	8	155	44	3,247
From other countries	195	386	995	1,026	301
Total.....	9,432	394	1,150	1,070	3,548
<u>Raisins</u>					
From United States..	4,864	0	0	109	5,625
From other countries	7,341	373	184	7,605	6,914
Total.....	12,205	373	184	7,714	12,539

Figures for 1936-38 are gross weights; those for the other years are net weights.

Source: Data compiled from official Netherlands sources by the Office of the Agricultural Attache, American Embassy, the Hague, Netherlands.

Table 18.-Netherlands: Imports of Dried Prunes
by Countries of Origin

Country of origin	Average 1936-38	1947	1948	1949	Jan.-Aug. 1950
	Short tons	Short tons	Short tons	Short tons	Short tons
United States..	5,168	8	102	0	2,730
Yugoslavia....	69	384	613	674	31
Others.....	0	0	0	79	0
Total.....	5,237	392	715	753	2,761

Figures for 1936-38 are gross weights; those for the other years are net weights.

Source: Data compiled from official Netherlands sources by the Office of the Agricultural Attache, American Embassy, The Hague, Netherlands.

Table 19.-Netherlands: Imports of Dried Apricots
by Countries of Origin

Country of origin	Average 1936-38	1947	1948	1949	Jan.-Aug. 1950
	Short tons	Short tons	Short tons	Short tons	Short tons
United States...	1,323	4	1	195	196
Spain.....	0	16	1	121	1/
Iraq.....	14	3	0	0	1/
Iran.....	0	0	0	0	217
Others.....	60	0	4	4	21
Total.....	1,397	23	6	320	434

1/ Included in "Others."

Figures for 1936-38 are gross weights; those for the other years are net weights.

Source: Data compiled from official Netherlands sources by the Office of the Agricultural Attache, American Embassy, The Hague, Netherlands.

Table 20.-Netherlands: Imports of Raisins
by Countries of Origin

Country of origin	Average 1936-38	1947	1948	1949	Jan.-Aug. 1950
	Short tons	Short tons	Short tons	Short tons	Short tons
United States..	4,865	0	0	109	5,625
Turkey.....	3,601	373	0	6,384	6,459
Iran.....	1,668	0	183	341	1/
Others.....	2,071	0	1	880	455
Total....	12,205	373	184	7,714	12,539

1/ Included in "Others."

Figures for 1936-38 are gross weights; those for the other years are net weights.

Source: Data compiled from official Netherlands sources by the Office of the Agricultural Attache, American Embassy, The Hague, Netherlands.

Table 21.-Netherlands: Indexes of Wages
and Cost of Living

Period	Index of wages	Index of cost of living			
		Food	Clothing	Rent	All items
Average 1938-39..	100	100	100	100	100
June 1949.....	195	246	311	100	201
June 1950.....	205	269	342	100	217

Source: Data compiled from official Netherlands sources by the Office of the Agricultural Attache, American Embassy, The Hague, Netherlands.

Table 22.-Netherlands: Foreign Trade

	Total			With United States		
Monthly average	Exports	Imports	Deficit	Exports	Imports	Deficit
	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars
1947.....	58.2	133.2	75.0	1.6	37.4	35.8
1948.....	83.6	154.1	70.5	2.3	27.0	24.7
1949.....	107.8	152.9	45.1	3.2	25.4	22.2
Jan.-June 1950:	100.1	162.8	62.7	2.8	22.5	19.7

Source: Data from Economic Cooperation Administration, Recovery Guides, Participating Countries, August 1950, p. 131.

THE MARKET FOR DRIED FRUIT IN SWEDEN

During the five years preceding the outbreak of World War II Sweden imported an average of 14,765 short tons of dried fruit annually. In the first year following the close of the war (1946) imports rose to 19,329 tons and in the next year (1947) to 21,514 tons. In those two years Swedish imports of dried fruit averaged 38 percent above the prewar level. In the following year, however, Sweden cut her imports of dried fruit drastically to 6,396 tons, 69 percent below the 1946-47 average and 57 percent below the 1934-38 average. From this low point, imports recovered in 1949 to 10,478 tons. This amount, although 64 percent larger than in 1948, was only 51 percent of the two-year average for 1946-47 (Table 23).

The sharp decline in Swedish imports of dried fruits in 1948 was not the result of a corresponding drop in consumers' demand for them. Rather, the decline was the result of import restrictions imposed by the Swedish Government.

As a neutral country Sweden was in excellent financial shape at the end of World War II. Its holdings of gold and dollars were relatively large, and there seemed little need to restrict purchases of goods from the United States. Under the policy of unrestricted importation, however, the accumulated dollar reserves were used up at a rapid rate, and in the spring of 1947 Sweden was in a precarious position with respect to dollar holdings. At that time the Swedish Government instituted tight control over imports from the United States.

Dried fruits were among the items seriously affected by Sweden's import controls. The very large imports of dried fruit from the United States in 1947 (17,740 tons) were all purchased prior to the imposition of the controls, although deliveries extended beyond that date. A portion of the very heavy 1947 purchases was probably made in anticipation of a sharp curtailment in imports.

In 1948, Sweden imported virtually no dried fruit from the United States, and it was not until after the institution of the European Recovery Program that it resumed such importation. During the 1949-50 crop marketing season the Swedish Government allotted dollar exchange equal to 15 million kronor (approximately \$2,900,000) to importers for the purchase of United States dried fruit 15/.

15/ On August 1, 1950, the Swedish Government allotted an additional 8 million kronor (\$1,544,400) for the importation of dried fruit during the 1950-51 crop marketing year.

In addition to the dollars made available to Sweden under the European Recovery Program, another factor contributed significantly to Swedish imports of United States dried fruit during the 1949-50 crop marketing season. That factor was the low price which prevailed under the export subsidy program of the United States Government.

These subsidized exports enabled Sweden to obtain a comparatively large quantity of dried fruit for relatively few dollars and also made possible low prices to Swedish consumers. Thus, from the standpoint of Sweden, United States export subsidies on dried fruits served a two-fold purpose: (1) conservation of scarce dollars, and (2) reduction in the cost of living.

The cost of living index plays an important role in the decisions of the Swedish Government. Labor unions have agreed to refrain from demanding higher wages so long as the index remains below a specified level. The Government is trying to keep it from rising above that critical point. It has, therefore, been willing to allocate scarce dollars for limited imports of dried fruit only if such fruit could be obtained at bargain prices.

To help replace supplies of dried fruit previously imported from the United States, Sweden has expanded her purchases from other countries. Prior to the war Sweden obtained 85 percent of her total dried fruit imports from the United States and only 15 percent from all other countries combined (Table 23). In 1949, in contrast, only 21 percent of Sweden's total imports of dried fruit came from the United States, while 79 percent came from other countries.

Purchases of dried fruit from countries other than the United States rose from an average of 2,234 tons in 1934-38 to an average of 7,306 tons in 1948, but even this large increase failed to offset the drop in imports from this country.

Not only were Sweden's total imports of dried fruit much smaller in 1948-49 than in the prewar period, but the composition of that total was substantially different from the 1934-38 average. As shown in Table 24, mixed fruits were the most popular item in Swedish dried fruit imports before the war; next came prunes, followed by raisins and currants. In 1948-49 imports of prunes were only 43 percent as large as imports of raisins and currants, while imports of mixed fruits had virtually disappeared. Apricots, peaches, and figs percentage-wise were relatively more prominent in 1948-49 than in 1934-38.

The change in the composition of Sweden's dried fruit imports between 1934-38 and 1948-49 reflects mainly the efforts of the Swedish Government to confine such imports to non-dollar sources, rather than any shift in consumers' demand. In 1946 and 1947, before control was instituted, the

composition of Swedish dried fruit imports was very similar to that which existed before the war.

Statistics relating to Sweden's imports of prunes, raisins and currants, and dried apricots and peaches, by countries of origin, are given in Tables 25, 26, and 27 respectively. To replace imports from the United States, Sweden has gone to Yugoslavia and Chile for prunes, to Turkey, Greece, Australia, and the Union of South Africa for raisins and currants, and to Spain, Iran, and the Union of South Africa for dried apricots and peaches.

Swedish importers claim that raisins from most of the producing countries are of good quality as are also prunes from Chile and dried apricots from the Union of South Africa. On the other hand, Yugoslavian prunes and Spanish and Iranian dried apricots are said to be inferior to those produced in the United States.

No country other than the United States apparently supplies mixed dried fruits of a quality acceptable to the Swedish consumers. Hence Sweden has either imported this item from the United States or gone without it.

The current demand for dried fruit in Sweden is substantially in excess of the 1934-38 average annual imports of 14,765 tons. The population of Sweden in 1949 was 9 percent larger than in 1938. In addition the average per capita real income in that country is now considerably higher than before the war. The average annual earnings of employed industrial workers, adjusted for the increase in the cost of living index, was 12 percent higher in 1949 than in 1938, and a larger proportion of the total workers was employed. In 1949 only 2.7 percent of the members in trade unions affiliated with the National Trade Union Association were reported as unemployed as against an average of 11.1 percent in 1936-38 16/.

Persons intimately acquainted with the dried fruit market in Sweden expressed the opinion that the current demand for dried fruit in that country is from 15 to 20 percent above the prewar level. In quantity terms this would mean a current demand of around 17,086 to 17,637 tons.

This amount is considerably smaller than Sweden's annual average imports of 20,421 tons during the two years 1946 and 1947. But there are reasons for supposing that dried fruit imports during those two years were above normal. Having gone without their accustomed amounts of dried fruits during the war, Swedish consumers were eager buyers when supplies first became available. And in early 1947 Swedish importers probably stepped up their purchases of dried fruits from the United States in anticipation of the imposition of import controls.

During the coming years Swedish imports of dried fruits are likely to experience increased competition from domestic production of fresh fruits. According to a recent report of the Agricultural Attache, American Embassy, Stockholm, plantings of fruit in Sweden have been comparatively large in recent years. Bearing orchards of apples, pears, plums, and cherries combined have increased from 6.7 million trees in 1943 to 9.7 million trees in 1950. It is estimated that by 1954 the bearing orchards of these fruits will have increased to 12.3 million trees.

The volume of exports of dried fruit from the United States to Sweden during the coming years will depend mainly upon two closely related factors: (1) the amount of dollars which Sweden is able to acquire, and (2) the proportion of those dollars which the Swedish Government will be willing to allocate for the purchase of dried fruit.

Table 23. - Sweden: Imports of Dried Fruit from the United States and Other Countries 1/

Year	Imports from		Total Imports	Percentage of total imports from	
	United States	Other Countries		United States	Other Countries
	Short tons	Short tons		Percent	Percent
	:	:	:	:	:
Average 1934-38 . . .	12,531	2,234	14,765	85	15
1946 . . .	9,373	9,956	19,329	48	52
1947 . . .	17,740	3,774	21,514	82	18
1948 . . .	86	6,310	6,396	1	99
1949 . . .	2,176	8,302	10,478	21	79

1/ The dried fruits include apricots, peaches, prunes, raisins, currants, figs, dates, and mixed fruits.

Source: The Swedish Official Yearbook of Commerce (Handel).

Table 24. - Sweden: Imports of Dried Fruits by Kinds

Kind of fruit	Average 1934-38		Average 1946-47		Average 1948-49	
	Short tons	Percent	Short tons	Percent	Short tons	Percent
Mixed fruits . . .	4,540	30.7	6,622	32.4	24	0.3
Apricots and peaches . . .	1,015	6.9	690	3.4	1,175	13.9
Prunes	4,236	28.7	5,326	26.1	1,841	21.8
Raisins and currants . . .	3,519	23.8	5,187	25.4	4,293	50.7
Figs	1,311	8.9	2,442	11.9	1,094	12.9
Dates	144	1.0	154	0.8	34	0.4
Total	14,765	100.0	20,421	100.0	8,461	100.0

Source: The Swedish Official Yearbook of Commerce (Handel).

Table 25. - Sweden: Imports of Prunes, by Country of Origin

Country of origin	Average 1934-38	1946	1947	1948	1949
	Short tons	Short tons	Short tons	Short tons	Short tons
United States . . .	4,178	4,262	5,890	15	741
Yugoslavia . . .	31	0	0	773	888
Argentina	1	392	0	0	0
Chile	10	108	0	928	321
Other countries . .	16	1	0	0	17
Total	4,236	4,763	5,890	1,716	1,967

Source: The Swedish Official Yearbook of Commerce (Handel).

Table 26. - Sweden: Imports of Raisins and Currants by Country of Origin

Country of origin	Average 1934-38	1946	1947	1948	1949
	Short tons	Short tons	Short tons	Short tons	Short tons
United States . . .	2,931	517	2,282	25	1,430
Spain	240	204	95	0	33
Turkey	22	4,823	1,426	1,326	2,951
Greece	225	431	369	757	720
Australia	1	0	0	372	410
South Africa . . .	0	131	44	248	313
Other countries . .	100	34	19	1	1
Total	3,519	6,140	4,235	2,729	5,858

Source: The Swedish Official Yearbook of Commerce (Handel).

Table 27. - Sweden: Imports of Dried Apricots and Peaches, by Country of Origin

Country of origin	Average 1934-38	1946	1947	1948	1949
	Short tons	Short tons	Short tons	Short tons	Short tons
United States . . .	885	276	646	2	0
Spain	18	0	0	0	981
Iran	77	69	327	753	442
South Africa . . .	2	0	0	0	173
Other countries . .	33	58	3	0	0
Total	1,015	403	976	755	1,596

Source: The Swedish Official Yearbook of Commerce (Handel).

THE MARKET FOR DRIED FRUIT IN THE UNITED KINGDOM

The United Kingdom produces no dried fruits. Its entire supplies are imported.

During the prewar years, 1934-38, total imports of dried fruit into the United Kingdom averaged 174,700 short tons annually. For the three years, 1947-49, dried fruit imports averaged 186,300 tons annually, 7.2 percent more than prewar. As the population of the United Kingdom increased 7 percent between 1934-38 and 1947-49, the per capita supply of dried fruit in that country was as large in 1947-49 as in 1934-38.

The great change in consumption of dried fruit in the United Kingdom between the prewar and postwar years was not in the total volume but rather in the composition of that total. As shown in Table 28, both dates and figs occupied a much more important place in 1947-49 than in 1934-38. These two items accounted for 32.5 percent of the United Kingdom's total dried fruit imports in the postwar years as against 15.0 percent in the prewar years. On the other hand, imports of raisins and currants fell from 72.2 percent of the total dried fruit imports in 1934-38 to 55.3 percent in 1947-49, while imports of dried prunes and apricots dropped from 11.5 percent to 9.8 percent. The increase in imports of dried apples, pears, and peaches between the two periods is accounted for by very large imports in the single year of 1947.

Table 28. - United Kingdom: Imports of Dried Fruit, Averages 1934-38 and 1947-49

Type of fruit	Average 1934-38		Average 1947-49	
	1,000 Short tons	Percent	1,000 Short tons	Percent
Currants and raisins	126.1	72.2	103.0	55.3
Prunes and apricots*.....	20.2	11.5	18.2	9.8
Apples, pears, peaches....	2.2	1.3	4.5	2.4
Dates	20.5	11.7	49.3	26.4
Figs and fig cake	5.7	3.3	11.3	6.1
Total	174.7	100.0	186.3	100.0

* Plums, prunes, prunelloes, and apricots.

Sources: Annual Statement of the Trade of the United Kingdom; Accounts Relating to the Trade and Navigation of the United Kingdom.

The change in the composition of dried fruit imports between 1934-38 and 1947-49 does not reflect a corresponding shift in the demand of consumers in the United Kingdom. Rather, it reflects the policy of the Government to obtain supplies from non-dollar areas.

Raisins. Consumer demand for currants and raisins in the United Kingdom today exceeds that of 1934-38, when an average of 126,100 tons a year was imported. The population of the country is now 7 percent larger than in 1934-38. Maintenance of the same per capita consumption of currants and raisins as prevailed on the average in 1934-38 would require imports of 135,000 tons annually. Actual imports in 1947-49 averaged only 103,000 tons.

There are grounds for supposing that the average per capita demand for currants and raisins now exceeds that of 1934-38. The major factor responsible for the increase is the redistribution of income in favor of the laboring classes. The change in the composition of the total personal income in the nation is shown in Table 29. These data suggest that the lower income groups have gained at the expense of the upper income groups.

Table 29. - United Kingdom: Total Personal Income from Work and Property after Taxes on Income, 1938 and 1949

Source	1938	1949
	Percent	Percent
Wages	39	48
Salaries	25	24
Pay of armed forces	2	3
Rent, dividends, and interest* ..	34	25
Total	100	100

* Includes professional earnings, income from farming, and profits of other sole traders and partnerships.

Source: National Income and Expenditure of the United Kingdom, 1946 to 1949, Cmd. 7933, April 1950.

It is unlikely that the decrease in the income of the upper income groups has reduced appreciably their demand for currants and raisins. On the other hand, it is quite likely that the increase in income of the lower income groups has increased their demand for these items.

The failure of the increased demand for currants and raisins during the past three years to be reflected in larger consumption or higher prices, or both, was due to the policy of the British Government in restricting imports from the United States and in holding down prices. Since the close of the war, as well as during the war, the Ministry of Food has been the sole importer of currants and raisins. It sold these products to wholesalers at fixed prices and also fixed the prices charged by wholesalers and retailers.

Between September 1939 and May 1947 the retail price of currants was increased from 6d. per pound to 10d. per pound, and the retail price of sultanas (which include Thompson seedless raisins) from 8d. per pound to 1s. per pound. These increases in prices were much less than those permitted on fresh fruits. Since May 1947 retail prices of currants and raisins have been held constant.

Data are not available on the losses incurred or the profits realized by the Government on its transactions in currants and raisins separately. On all dried fruits the Government incurred losses of £ 3.3 million in 1946, £ 3.5 million in 1947, and £ 0.9 million in 1948. In 1949 it realized a profit of £ 0.5 million 17/. The present policy of the Ministry of Food in its purchases of dried fruit is to operate on a no-profit, no-loss basis.

In May 1950 point rationing was abolished on the eight remaining foods within the system, including currants and raisins. The Ministry of Food announced that "available supplies would continue to be distributed periodically in sufficient quantities to ensure a distribution over the country, and that they would, in general, be distributed to retailers in proportion to the number of their registered customers for certain rationed food." 18/

During recent years the United Kingdom has attempted to secure its requirements of currants and raisins from countries other than the United States. The sources of United Kingdom imports of these two items combined for the prewar period 1934-38 and for 1948 and 1949 are given in Table 30. During the five years 1934-38 the United Kingdom obtained 16.3 percent of its raisin-currant supply from the United States. In 1948 the United Kingdom imported no raisins from the United States, but with the institution of the European Recovery Program, it resumed the importation of raisins from this country. It obtained 18.5 percent of its currant-raisin supply from the United States in 1949, and 32.6 percent during the first six months of 1950.

17/ Ministry of Food Bulletin, No. 554 and No. 556. Years ending March 31.

18/ Ministry of Food Bulletin, No. 548, May 27, 1950, p.1.

Table 30. - United Kingdom: Imports of Currants and Raisins by Country of Origin, Average 1934-38, Annual 1948, 1949

Country of origin	Average 1934-38		1948		1949	
	1,000	Percent	1,000	Percent	1,000	Percent
Australia	35.9	28.4	28.6	28.4	12.3	11.0
Greece	50.6	40.1	43.9	43.5	46.7	41.9
Turkey	7.5	6.0	24.2	24.0	24.0	21.5
Iran	2.0	1.7	3.0	3.0	6.2	5.6
United States	20.6	16.3	0	0	20.7	18.5
Other countries ..	9.5	7.5	1.1	1.1	1.7	1.5
Total	126.1	100.0	100.8	100.0	111.6	100.0

The relatively large imports of raisins from the United States in 1949 and the first half of 1950 may be explained chiefly by three factors: Dollars were made available to the United Kingdom through the European Cooperation Administration; United States raisins were sold to the United Kingdom at low prices; and the 1949 currant-raisin crop in Australia was short.

Under ECA assistance the United Kingdom purchased 22,399 tons of United States raisins at an average price of \$0.08687 per pound. This price is considerably more attractive than prices quoted in other countries. The 1949 Australian production of raisins was only 44,400 tons and that of currants 18,800 tons. This was the smallest raisin production since 1932 although currant production was about equivalent to the 5-year (1944-48) average. The 1950 Australian crop of raisins and currants was below average, being estimated at 56,700 tons and 15,200 tons, respectively.

The choice which the Government of the United Kingdom has had to make in recent years was between spending scarce dollars for raisins from the United States or curtailing consumption of currants and raisins through control of imports. The available evidence suggests that this choice will continue to face the United Kingdom for some years to come.

In a recent report, Economic Survey of Europe in 1949, the Research and Planning Division, Economic Commission for Europe, reaches the conclusion that:

"After the end of the European Recovery Program, European countries are.....unlikely to have more than about \$2 billion to spend on imports from the United States. This would be less than half of the 1948 value of such imports and roughly \$1.5 billion less than the reduced level in the second half of 1949." (p. 181).

If this forecast should prove to be substantially correct, it seems certain that the United Kingdom along with other European countries will limit imports of dried fruit as well as of other commodities from the United States. The extent to which the United Kingdom might go in curtailing imports of United States dried fruit is suggested by its action in 1948 when it reduced such imports to zero.

Unless there is very substantial expansion in currant and raisin production in such countries as Australia, Greece, and Turkey, the United Kingdom will not be able to secure sufficient supplies of these products outside of the United States to meet the prospective consumer demand for them. As indicated above, the present demand of United Kingdom consumers for currants and raisins is probably in excess of 135,000 tons. There does not at present appear to be sufficient exportable surpluses of currants and raisins from countries other than the United States to fill the normal demand for these products in the chief importing countries of the world, including the United Kingdom.

While there are many imponderables in the situation, the long-run prospects for commercial exports of raisins from the United States to the United Kingdom do not appear promising. So long as dollars are furnished to the United Kingdom through ECA or similar programs, considerable quantities of California raisins may be disposed of in the United Kingdom, provided they are sold at low prices. A two-price system on California raisins similar to the one now in effect would seem to be necessary if much tonnage is to be shipped to the United Kingdom even during the remainder of the life of ECA. If and when extraordinary financial aid to the United Kingdom ceases, it may be questioned whether even very low prices for California raisins for export will induce the United Kingdom to part with scarce dollars for them. It should be remembered that the decision regarding importation of raisins into the United Kingdom is made by the Government, not by the individual consumers. So far as importations of raisins from the United States are concerned, the decision is likely to remain with the British Government for the indefinite future.

Prunes. During the three years, 1947-49, United Kingdom imports of prunes and dried apricots averaged 18,200 short tons annually, as against an average of 20,200 tons during the prewar years, 1934-38.

Official import statistics of the United Kingdom do not separate prunes and dried apricots. It is known, however, that most of the imports of these two items in 1934-38 consisted of prunes and that all of the imports in 1947-49 consisted of prunes. 19/.

19/ Of the 20,200 tons of prunes and dried apricots imported into the United Kingdom in 1934-38, 87 percent were from the United States. During the same period 93 percent of the United States exports of prunes and dried apricots combined to the United Kingdom consisted of prunes. Officials of the Ministry of Food of the United Kingdom report that virtually no dried apricots have been imported during the past three years.

The retail price of prunes in the United Kingdom was permitted to rise from 8d. a pound in September 1939 to 1s. a pound in May 1947, and has been held constant at 1s. a pound since that date.

Relative to that in the United States, the demand for prunes in the United Kingdom is much less than the demand for currants and raisins. Before the war (1934-38) the ratio of consumption of prunes to currants and raisins was about 1 to 1.2 in the United States, and less than 1 to 6 in the United Kingdom.

The present per capita demand for prunes in the United Kingdom is probably somewhat larger than that which prevailed on the average during 1934-38. The shift in the distribution of income in that country and the shortage of fresh and canned fruit, despite a large increase in domestic fruit production, have stimulated consumer demand for prunes.

The United Kingdom is much more dependent upon the United States for its imports of prunes than for its imports of currants and raisins. Prior to the war, over three-fourths of the world's exports of prunes originated in the United States, as against only one-fourth of the world's exports of raisins. If currants were added, the United States proportion of dried vine fruits supplied would be even smaller.

On the other hand, prunes are much less important than currants and raisins in the diet of British consumers, and they can be omitted with less hardship. In the United Kingdom other fruits are probably a closer substitute for prunes than they are for currants and raisins. For these reasons the "dollar shortage" is likely to curtail United States exports of prunes to the United Kingdom as seriously as United States exports of raisins.

Domestic fruit production in the United Kingdom increased from an average of 545,000 tons in 1936-39 to an average of 873,000 tons in 1946-49. Virtually all of this increase in production stemmed from higher yields per acre and from a larger proportion of the crop marketed. The reported acreage of fruit was only 3 percent larger in 1946-49 than in 1936-39. (See Table 32).

During and since the war fruit growers in the United Kingdom found a ready market for all of their fruit including culls, although this was somewhat less true in 1949 than in the preceding years. Persons familiar with the fruit industry claim that a part of the apparent increase in reported production between the prewar and postwar periods may have reflected marketings of lower grade fruit. A much larger part of the increased production, however, was due to higher yields per acre.

Returns from fruit production in the United Kingdom during recent years are generally conceded to have been good. These favorable returns stimulated better care of orchards, and this better care, including more fertilization, is credited with a substantial part of the increased production.

Another factor which is claimed to have contributed significantly to the higher yields per acre of recent years was the absence of frost damage.

It was also reported that a considerable acreage of higher yielding varieties had been planted during the years immediately preceding World War II, and that this acreage came into bearing during the past few years.

In the absence of information on age of fruit trees and yields per acre by age groups, it is not possible to project the trend of fruit production in the United Kingdom with much confidence. The consensus among informed persons is that net returns from fruit production in the United Kingdom are likely to be less favorable during the next few years than in recent years, and that this development will retard any further substantial increase in fruit production.

Fruit supply. The increase in fresh fruit production in the United Kingdom between 1934-38 and 1947-49 almost offset the decline in fresh fruit imports. Total supplies of fresh fruit, including home production and imports, averaged 1,769,000 tons a year in 1934-38 and 1,719,000 tons a year in 1947-49. But, because of the increase in population between the two periods, the per capita supply of fresh fruit dropped about 7 percent.

As mentioned at the beginning of this report, the per capita supply of dried fruit in the United Kingdom was virtually as large in 1947-49 as in 1934-38. The per capita supply of canned fruit, however, was more than 50 percent smaller in the postwar than in the prewar period.

The available evidence suggests that among the various classes of foods, fruit is ranked relatively low by the Ministry of Food of the United Kingdom. During the war, expansion of fruit acreage in the United Kingdom was prohibited and imports of fruit were sharply curtailed. As a result, the per capita supply of fruit in 1941-45 was reduced to 59 percent of the prewar average, the sharpest cut that was made in any of the classes of food (see Table 31). In contrast, per capita supplies of some classes of foods, such as dairy products, grain products, potatoes, and vegetables, were much expanded.

Since the war the per capita fruit supply in the United Kingdom has been permitted to increase, and during the three years 1946-48 it averaged 89 percent of the prewar level. There has been a further rise since then, but the supply is still below prewar.

Table 31. - United Kingdom: Food Supplies per Head per Annum Moving into Civilian Consumption, 1941-45 and 1946-48 as Percentage of Prewar

Kind of food	Average 1941-45 Percent of prewar	Average 1946-48 Percent of prewar
Dairy products	124	128
Meat	81	75
Fish, poultry, game	69	110
Eggs	93	89
Oil and fats (visible)	85	79
Sugar and syrups	66	76
Potatoes	136	153
Pulses and nuts	68	68
Fruit	59	89
Vegetables	111	107
Grain products	120	115
Tea, coffee, cocoa	90	100

Source: Ministry of Food, Food Consumption Levels in the United Kingdom, Cmd. 7842, Dec. 1949.

From the standpoint of United States fruit growers the issue is not whether the judgment of the United Kingdom Government concerning the relative merit of fruit in the diet is correct or incorrect. The crucial fact is that past actions of that Government indicate that fruit is likely to be sacrificed in favor of other foods during any period when the total food supply is short, and that imports of fruit from the United States are likely to be sacrificed in favor of other products whenever dollars are scarce.

Table 32. - United Kingdom: Acreage and Production of Fruit 1936-49

Year	Acreage	Production
	1,000 acres	1,000 short tons
1936	314	676
1937	307	439
1938	299	240
1939	301	824
1940	300	582
1941	310	320
1942	302	749
1943	301	657
1944	298	666
1945	295	458
1946	311	705
1947	313	1,007
1948	314	797
1949	324	984

Sources: Annual Abstract of Statistics and Monthly Digest of Statistics.

Table 33. - United Kingdom: Imports of Dried Fruit by Countries of Origin, Prewar, 1948, and 1949

Source	Prewar		1948		1949	
	1,000 Short tons	Per-cent	1,000 Short tons	Per-cent	1,000 Short tons	Per-cent
Australia	37	21	29	18	13	7
France	5	3	9	5	7	4
Greece	51	29	44	27	49	26
Iraq	14	8	30	19	42	22
Turkey	12	7	39	24	28	14
U. S. A.	40	23	--	--	41	21
Other countries:	16	9	10	7	11	6
Total	175	100	161	100	191	100

Source: Ministry of Food Bulletin, No. 552, June 24, 1950, p. 12.

Table 34. - United Kingdom: Maximum Retail Prices of Selected Dried Fruits, 1939 to 1947

Period	Retail price per pound					
	Currants		Sultanas		Prunes	
	s.	d.	s.	d.	s.	d.
September 1939		6		8		8
October 1939		7		8		8½
September 1943		9		9		9
December 1946		9		9		10
May 1947		10	1	0	1	0

Source: Minister of Food orders.

Table 35. - United Kingdom: Fruit Supplies per Head per Annum Moving into Civilian Consumption, Prewar and 1940-48

Period	Total		
	fresh	Dried	Canned
	equivalent		
	Pounds	Pounds	Pounds
Prewar	141.4	8.0	12.0
1940	108.0	7.2	7.6
1941	59.7	7.9	1.9
1942	94.2	8.5	2.9
1943	77.9	6.1	2.9
1944	93.6	9.6	0.7
1945	90.9	8.1	0.1
1946	109.8	8.3	2.4
1947	132.4	7.7	4.2
1948 (provisional)	133.2	6.9	4.6

Source: Ministry of Food, Food Consumption Levels in the United Kingdom, Cmd. 7842, Dec. 1949.

THE MARKET FOR DRIED FRUIT IN WESTERN GERMANY

Prior to 1934-35 Germany was a very large market for United States dried fruit. Then under Hitler the German Government erected barriers against the importation of dried fruit from this country, and by 1936-37 our dried fruit exports to Germany had dwindled to only a small fraction of their former level.

During the five marketing years 1929-30 to 1933-34, our shipments of dried fruit to Germany averaged 53,490 tons annually, as against an annual average of only 8,625 tons during the three years, 1936-37 through 1938-39 (Table 36). All of the dried fruits were seriously affected. Exports of dried peaches, pears, and raisins were cut more than 90 percent; exports of dried apples and apricots were cut from 85 to 90 percent; exports of prunes were cut 80 percent.

Germany adjusted to the sharp decrease in its receipts of dried fruit from the United States chiefly in two ways: (1) by curtailing total consumption of dried fruit, and (2) by increasing imports of dried fruit from other countries.

From 1934 to 1937 Germany's total imports of dried fruit showed a steady decline, falling from 128,211 tons in the calendar year 1934 to 107,970 tons in 1937, a decrease of 16 percent (Table 37). The large imports of 169,832 tons in 1938 may have been due to stockpiling in preparation for possible war.

Along with the decrease in Germany's imports of dried fruit from the United States was an increase in imports from other countries. The single interruption in this upward trend in imports from other countries occurred in 1937. The drop in that year was due almost entirely to a sharp cut in the volume of raisins imported from Turkey.

The shift in German sources of dried fruit imports after the marketing year 1933-34 was accompanied by considerable change in the composition of its dried fruit supply (Table 38). Among the various dried fruits, imports of apples and pears, apricots and peaches, and prunes shrank, while imports of raisins, currants, dates, and figs expanded. This change in composition was the result of the Government's import policy, not of any change in the demand of German consumers. The dried fruits which experienced the greatest decline were those for which the United States had been the chief supplier, whereas the dried fruits which made the largest gain were those which had come mainly from other countries.

To help compensate for the loss of dried fruits from the United States, German importers turned to Canada, Bulgaria, and Yugoslavia for dried apples and pears (Table 39), to Iran, Spain, and Turkey for dried apricots and

peaches (Table 40), and to Bulgaria, Rumania, and Chile for dried prunes (Table 41). Germany was already obtaining substantial quantities of prunes from Yugoslavia but, except in 1937, did not increase its imports from that country.

In the case of raisins, German importers were, except in 1937, successful in obtaining large additional supplies from Turkey, Greece, and Iran, - more than enough to offset the loss of imports from the United States (Table 42). They also expanded their purchases of currants, dates, and figs, which they had always secured from countries other than the United States.

For nearly three years following the close of the war in Europe, Western Germany went without any dried fruit. ^{20/} Then early in 1948 the United States Army began to bring in large supplies for civilian feeding. In the calendar year 1948, total imports of United States dried fruit into Western Germany amounted to over 177,000 tons. These imports consisted mainly of raisins and prunes, but also included substantial quantities of apricots, figs, and dates. That year Western Germany also obtained over 15,432 tons of dates from Iran and Iraq. Total imports of dried fruit into Western Germany in 1948 were 14 percent larger than the 1938 record of imports into all of Germany.

The abnormally large consumption of dried fruit by the Western German people in 1948 may be attributed chiefly to three factors: (1) food generally was scarce and dried fruit served as a valuable supplement to the diet; (2) the German people had gone without dried fruit for nearly 10 years; and (3) prices were low enough to permit nearly all families to buy the amounts to which they were entitled under rationing.

In 1949 dried fruit imports into Western Germany were only 43 percent as large as in 1948, and indications are that they will be even smaller in 1950.

Since 1948 Western Germany has been shifting back to its former sources of supply for dried fruit. In both 1949 and the first eight months of 1950 Western Germany obtained 52 percent of its dried fruit from countries other than the United States as against only 8 percent in 1948. In 1949 Western Germany negotiated trade agreements with Greece, Iran, Turkey, and Yugoslavia, which called for substantial receipts of dried fruit, as well as other goods, in exchange for German products.

^{20/} No information is available on dried fruit imports into Eastern Germany.

The large shipments of United States prunes and raisins to Western Germany during the three marketing years 1947-48 to 1949-50 were all heavily subsidized. They do not reflect a normal trade movement. In the absence of continued heavy subsidization, United States exports of these products to Western Germany will likely decline rather sharply from the 1947-48 through 1949-50 average.

Most German consumers are said to prefer the flavor of Yugoslavian and Bulgarian prunes to that of California prunes. California prunes, however, are more uniform in quality and pack, are larger in size, and will keep longer. Importers claim that the advantages of the California prunes are probably no more than sufficient to offset the taste preference for the Balkan prunes. They assert that size for size the price of California prunes must be as low as or slightly lower than the price of Balkan prunes in order to find any considerable outlet in Germany, provided deliveries of Balkan prunes come up to their prewar standard.

In 1949-50, for the first time since the war, German importers purchased prunes from Yugoslavia. Deliveries were unsatisfactory; in many cases neither weight nor quality came up to contract specifications. Before the war, however, deliveries of Yugoslavian prunes were generally satisfactory to German importers.

In both Yugoslavia and Bulgaria prunes run to small sizes. The largest of the Yugoslavian prunes are 60-70's, while the largest of the Bulgarian prunes are 80-90's. The market in Germany for prunes larger than the sizes produced in Yugoslavia, however, is quite limited. Germany was a "price market" for prunes before the war. It is even more of a "price market" today.

United States raisins, like United States prunes, normally meet keen competition in Germany from imports from other countries. Even before 1934, the United States supplied only a minor part of Germany's raisin imports. The market preference in Germany was for light-colored raisins, the bleached raisins from Turkey, Greece, and Iran. The dark California raisins (Thompson Seedless-natural condition) could be sold only at a discount.

The prewar opposition in Western Germany to dark-colored raisins has now virtually disappeared. The large quantities of California raisins brought into Western Germany by the United States Army in 1948 were eagerly purchased by German consumers under the conditions of short food supply and low raisin prices which then prevailed. German consumers found the taste of the California raisins to their liking and their objection to the dark color soon disappeared. It cannot be said, however, that they have acquired a preference for dark-colored raisins. Rather they are indifferent as to the color. Price and quality are the main determinants in their choice, with price foremost at the present time. Hence, even if dollars were not an essential factor, United States raisins would be bought only when prices were as low or lower than the prices charged by other countries.

In late October 1950, German importers could buy good quality Turkish raisins for \$320 a metric ton (2204.6 lb.) c.i.f., Hamburg, about \$100 a metric ton below the price quoted for California raisins. Iranian raisins, which are usually lower in quality than Turkish raisins, were being offered for \$270 a metric ton.

In the opinion of German importers, dried apricots from Iran are much lower in quality than those from the United States. Nevertheless, they have, since 1948, secured the bulk of their supplies from Iran. In 1949, Western Germany entered into a trade agreement with Iran which involved the purchase of dried fruit. Of great importance to Germany were the low prices of the Iranian product, only 50 to 60 percent as high as the price of United States dried apricots.

Despite substantial economic recovery in Western Germany, especially since the currency reform in mid-1948, the real income of the mass of the population is still relatively low. In its Economic Survey of Europe in 1949, the United Nations Economic Commission for Europe, estimated that the per capita real income in Western Germany in 1949 was only 83 percent as high as in 1936. Some improvement in per capita real income may have occurred during the past year. Gross weekly earnings in manufacturing and construction industries were higher in mid-1950 than in mid-1949. On the other hand, the percentage of wage and salaried workers that were employed unemployed was also higher. 21/

As long as the current low level of per capita real income in Western Germany persists, the demand for dried fruit among the mass of the population will probably continue to be much restricted. And such demand as does exist will likely be concentrated upon the fruits which are low in price even though they are also poor in quality.

The opportunity for large sales of United States dried fruits in Western Germany, except at heavily subsidized prices, will come only when that country has made further substantial economic recovery, including expansion of industrial production, reduction in unemployment, and an increase in consumers' buying power. With industrial production near full capacity, Western Germany should be able to earn enough dollars through direct and triangular trade to pay for a substantial volume of imports from the United States, provided trade barriers among European countries as well as between the United States and European countries are reduced.

21/ Economic Cooperation Administration, Recovery Guides - Participating Countries, August 1950, pp. 69-70.

Table 36.-United States: Exports of Dried Fruit to Germany,
Averages 1929-30 1933-34 and 1936-37 1938-39 and
Annual 1946-47 1949-50

Dried fruit	Year beginning July 1					
	Average	Average				
	1929/30- 1933/34	1936/37- 1938/39	1946-47	1947-48	1948-49	1949-50
	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons
Apples....	7,976	876	70	1	0	280
Apricots..	4,983	664	0	0	1,418	113
Peaches...	989	79	2	3	2,304	3
Pears.....	1,532	99	0	0	0	219
Prunes....	30,429	6,176	3	62,846	45,968	22,584
Raisins...	7,581	731	11	84,962	19,738	23,792
Total....	53,490	8,625	1/ 86	1/ 147,812	1/ 69,428	1/ 46,991

1/ The totals for 1946-47 to 1949-50 do not include the following quantities:
1946-47, figs 51 tons; 1947-48, figs 271 tons, mixed and other 30 tons;
1948-49, figs 6,790 tons, mixed and other 20 tons; 1949-50, figs less than
1 ton, mixed and other 19 tons.

Table 37.-Germany: Imports of Dried Fruit,
Total and from the United States, Calendar
Years 1934-38 and 1948-50

Year	United States	Other countries	Total
	<u>Short tons</u>	<u>Short tons</u>	<u>Short tons</u>
1934.....	36,770	91,441	128,211
1935.....	14,693	110,424	125,117
1936.....	6,570	114,794	121,364
1937.....	2,266	105,704	107,970
1938.....	1,025	168,807	169,832
1948.....	177,036	15,898	192,934
1949.....	39,976	43,701	83,677
1950 (Jan.-Aug.)	19,657	21,347	41,004

Source: Data compiled from official German sources by the
Economic Section, American Consulate, Hamburg, Germany.

Table 38.--Germany: Total Dried Fruit Imports

	1934	1935	1936	1937	1938	1948	1949	Jan.-Aug. 1950
Dried fruit	10,579	7,814	2,541	1,713	2,480	0	51	671
Apples and pears.....	9,893	4,374	3,840	5,441	9,845	2,215	2,057	2,855
Apricots and peaches....	27,900	16,025	22,369	27,952	7,328	72,384	20,848	13,394
Prunes.....	52,537	61,044	61,168	33,233	85,848	89,452	47,167	18,621
Raisins.....	10,390	10,925	11,530	20,088	25,453	0	3,801	2,334
Currents.....	1,611	1,449	744	2,484	11,174	23,134	3,742	1,036
Dates.....	15,301	23,486	19,172	17,059	27,704	5,749	6,011	2,093
Figs.....								
Total....	128,211	125,117	121,364	107,970	169,832	192,934	83,677	41,004

Source: Data compiled from official German sources by the Economic Section, American Consulate, Hamburg, Germany

Table 39.-Germany: Imports of Dried Apples and Dried Pears, by Countries of Origin

Country of origin	1934	1935	1936	1937	1938	1948	1949	Jan.-Aug. 1950
	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons
United States	10,138	6,952	1,446	241	348	0	0	36
Canada.....	195	393	304	391	1,106	0	0	21
Yugoslavia..	10	358	501	633	548	0	0	0
Bulgaria....	0	0	58	135	80	0	0	0
Others.....	236	121	232	313	398	0	51	614
Total.....	10,579	7,824	2,541	1,713	2,480	0	51	671

Source: Data compiled from official German sources by the Economic Section, American Consulate, Hamburg, Germany.

Table 40.-Germany: Imports of Dried Apricots and Dried peaches, by Countries of Origin

Country of origin	1934	1935	1936	1937	1938	1948	1949	Jan.-Aug. 1950
	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons
United States...	6,837	158	154	84	97	2,179	836	13
Iran.....	961	1,651	2,723	3,865	6,766	7	1,135	2,491
Spain.....	384	114	48	1,027	269	0	0	0
Turkey.....	4	843	617	312	2,065	0	8	0
Others.....	1,707	1,608	298	153	648	30	78	351
Total.....	9,893	4,374	3,840	5,441	9,845	2,216	2,057	2,855

Source: Data compiled from official German sources by the Economic Section, American Consulate, Hamburg, Germany.

Table 4.1.-Germany: Imports of Dried Prunes, by
Countries of Origin

Country of origin	1934	1935	1936	1937	1938	1948	1949	Jan.-Aug. 1950
United States..	14,322	6,594	4,959	1,934	342	72,356	20,707	12,702
Yugoslavia.....	11,803	3,512	7,152	14,890	1,413	0	84	393
Bulgaria.....	1,465	5,432	8,902	7,735	2,345	0	0	0
Rumania.....	55	39	44	2,055	776	0	0	0
Chile.....	23	228	777	289	854	0	0	0
Others.....	232	220	535	1,049	1,598	48	57	299
Total..	27,900	16,025	22,359	27,952	7,328	72,384	20,848	13,394

Source: Data compiled from official German sources by the Economic Section, American Consulate,
Hamburg, Germany.

Table 42.-Germany: Imports of raisins, by
Countries of Origin

Country of origin	1934	1935	1936	1937	1938	1949	Jan.-Aug. 1950	
	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons	Short tons	
United States..	5,448	1,038	8	6	17	89,452	17,204	6,906
Turkey.....	32,679	46,058	44,810	20,376	65,472	0	23,140	1,673
Greece.....	10,293	11,511	15,421	9,621	15,760	0	5,590	4,110
Iran.....	1,585	805	19	3,026	3,898	0	1,058	2,683
Spain.....	115	165	64	131	572	0	0	0
Others.....	2,417	1,467	246	73	129	0	175	3,249
Total.....	52,537	61,044	1,168	33,233	85,848	89,452	47,167	18,621

Source: Data compiled from official German sources by the Economic Section, American Consulate,
Hamburg, Germany.

